# မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
# ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၄၈ / ၂၀၁၀ ၂၀၁၀ခုနှစ်၊အောက်တိုဘာလ ၂၈ ရက်

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် MR. JOON KOOK, CHOI
CHAIRMAN, AUTO INDUSTRIAL GROUP

(ခ) မည်သည့် နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ 14 F HANSHIN IT TOWER # 235 GURO-DONG GURO-GU
SEOUL,152-050, REPUBLIC OF KOREA.

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ AUTO INDUSTRIAL GROUP , SEOUL,
14 F HANSHIN IT TOWER # 235 GURO-DONG GURO-GU, SEOUL, 152-050 ,
REPUBLIC OF KOREA.

(င) ဖွဲ့စည်းရာအရပ် SEOUL, REPUBLIC OF KOREA.

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ဆီအုန်းစိုက်ပျိုးခြင်းနှင့် သန့်စင်ပြီး
စားအုန်းဆီထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မနိုးရုံးဒေသ၊ ပြည်ကြီးမဏ္ဍိုင်၊
ဘုတ်ပြင်းမြို့နယ်၊ ကော့သောင်းခရိုင်၊ တနင်္သာရီတိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၆၂ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၆ နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၆၂ သန်း
နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည်
MYANMAR AUTO CORPORATION

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

MIC

Form (2)

Union of Myanmar Investment Commission
Sr No 17738
Dated 28-10-2010

The Myanmar Investment Commission

# PERMIT

Permit No. 448 / 2010 Date 28th OCTOBER, 2010

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter MR. JOON KOOK.CHOI
CHAIRMAN, AUTO INDUSTRIAL GROUP

(b) Citizenship KOREAN

(c) Address 14F HANSHIN IT TOWER # 235 GURO-DONG GURO-GU, SEOUL, 152-050 , REPUBLIC OF KOREA

(d) Name and Address of principal organization AUTO INDUSTRIAL GROUP
14F HANSHIN IT TOWER # 235 GURO-DONG GURO-GU, SEOUL, 152-050 ,
REPUBLIC OF KOREA

(e) Place of incorporation SEOUL, REPUBLIC OF KOREA

(f) Type of business in which investment is to be made PALM OIL PLANTATION AND REFINERY PLANT

(g) Place(s) at which investment is permitted MANOYONE REGION, PYIGYIMANDAING, BOKPYIN TOWNSHIP, KAWTHAUNG DISTRICT, TANINTHARYI DIVISION

(h) Amount of foreign capital US $ 62 MILLION

(i) Period for bringing in foreign capital WITHIN 6 YEARS

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 62 MILLION

(k) Permitted duration of investment 35 YEARS

(l) Name of the economic organization to be formed in Myanmar
MYANMAR AUTO CORPORATION

Chairman

The Myanmar Investment Commission

UNION OF MYANMAR

**MYANMAR INVESTMENT COMMISSION**

**Building No.(32), Nay Pyi Taw**

Our ref : Ya Ka-1/Na- 616 / 2010 (17738) Tel: 067-406334,406075
Dated : 29th October 2010. Fax: 95-67-406333

**Subject : Decision of the Myanmar Investment Commission on the Proposal for "Palm Oil Plantation and Refinery Plant" with under the name of "Myanmar Auto Corporation".**

Reference: Ministry of Agricultural and Irrigation Letter No.11/AIG(104/2010) dated (5-2-2010)

1. The Myanmar Investment Commission, at its meeting ( 5 /2010) held on (9 - 2-2010) and the Trade council, at its meeting (23/2010) (4- 8 -2010) had reviewed the proposal for investment in "Palm Oil Plantation and Refinery Plant" under the name of "Myanmar Auto Corporation" submitted by "Auto Industrial Group from Republic of Korea and Resources and Resources(R&R) Pte., Ltd." from Singapore as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting (34 /2010) held on ( 2 - 9 -2010), had resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be an initial period of 35 (Thirty Five) years from the effective date of signing of the Product Sharing Agreement regarding one hundred percent foreign investment between Myanma Industrial Crops Development Enterprise (Perennial Crops and Farm Department) and Auto Industrial Group and Resources and Resources(RnR) Pte., Ltd. For the extension of another 25 (Twenty Five) years, Auto Industrial Group(Auto & RnR) shall submit application for the extension 5 years before expiration of initial period 35(Thirty Five) years. At the end of the leased period, Auto Industrial Group(Auto & RnR) shall transfer immovable properties to Myanma Industrial Crops Development Enterprise(Perennial Crops and Farm Department).

4. Myanma Industrial Crops Development Enterprise(Perennial Crops and Farm Department) shall provide tenancy of granted land to Auto Industrial Group(Auto & RnR) 133,600 acres of tenancy of granted land in total, located in Manoyone Region, Pyigyimandaing, Bokpyin Township, Kawthaung District, Tanintharyi Region,

Myanmar for Palm Oil Plantation including research and development facilities and land for palm oil mill and/or refinery plant.

5. Auto Industrial Group(Auto & RnR) shall share with Myanma Industrial Crops Development Enterprise (Perennial Crops and Farm Department) a certain percentage of the total quantity of palm oil produced in the Palm Oil Plantation as provided below. The basis of product sharing shall be started as soon as the first production of Fresh Fruit Bunch (FFB) comes out from every each year's plantation area and the product sharing ratio as provided below is universally applicable independently into every each year's plantation area.

(a) From first Fresh Fruit Bunch production year to 10th project year of palm oil production: 2.5% (Expected sharing amount based on Crude Palm Oil amount: 11,700 ton)

(b) From 11th project year to 14th project year of palm oil production: 5% (Expected sharing amount based on Crude Palm Oil amount: 39,400 ton)

(c) From 15th project year to 18th project year of palm oil production: 7% (Expected sharing amount based on Crude Palm Oil amount: 63,400 ton or Refined Bleached Deodorized amount 47,500 ton)

(d) From 19th project year to 22nd project year of palm oil production: 5% (Expected sharing amount based on Crude Palm Oil amount: 46,500 ton or Refined Bleached Deodorized amount 34,900 ton)

(e) After 23rd project year of palm oil production: 2.5% (Expected sharing amount based on Crude Palm Oil amount: 51,300 ton or Refined Bleached Deodorized amount 38,500 ton)

6. Product sharing scheme in terms of Refined Bleached Deodorized mentioned in Product Sharing Agreement article 5.15 c, d, and e will be dependent upon establishment of palm oil refinery facilities by Auto Industrial Group(Auto & RnR) which will be considered based on condition of domestic and international Refined Bleached Deodorized market.

7. Auto Industrial Group(Auto & RnR) shall pay Myanma Industrial Crops Development Enterprise (Perennial Crops and Farm Department) as a performance Bank Guarantee in an amount of 3% of total investment of every first month of fiscal each year. To avoid any doubt, from the beginning year of product sharing, Performance Bank Guarantee is no more necessary to deposit any longer because the accumulated investment has been actually occured.

8. In issuing this "Permit," the Commission has granted ,amongst the followings, exemptions and reliefs as per Section 21(a) (i) and (j) of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section (21) shall have to be applied upon the actual performance of the project.

(a) As per section-21(a), exemption from income tax up to 36(Thirty six) months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested there in within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(d) As per section-21(d),relief from income tax up to 50 percent on profits accrued from exports, following 3-year tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation

following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Agricultural and Irrigation.

9. Auto Industrial Group and Resources and Resources(R&R) Pte., Ltd. shall have to sign Product Sharing Agreement regarding One Hundred Percent Foreign Investment Contract with Myanma Industrial Crops Development Enterprise(Perennial Crops and Farm Department) . After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

10. Myanmar Auto Corporation in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

11. Myanmar Auto Corporation shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

12. The official date of commercial operation shall be reported to the Commission.

13. Myanmar Auto Corporation shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Myanmar Auto Corporation shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

15. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section – 2 (h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Committee.

16. Whenever Myanmar Auto Corporation brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an

internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

18. Myanmar Auto Corporation shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Myanmar Auto Corporation shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94[Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

20. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Auto Corporation.

21. Myanmar Auto Corporation in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(Maung Maung Thein)
Chairman

Managing Director
Myanma Industrial Crops Development Enterprise (Perennial Crops and Farm Department)

cc: 1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce

7. Ministry of Agriculture and Irrigation
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power No.(2)
13. Chairman, Foreign Capital Evaluation Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)